

Travel industry forecasts surge in US holidays

BY DAVID CHURCHILL, LEISURE INDUSTRIES CORRESPONDENT

A SHARP surge in demand for holidays in the US following the decline in the value of the dollar has been reported by tour operators and travel agents this week. Exhibitors at the World Travel Market exhibition at Olympia, London, have reported a record level of interest in US holidays.

"A tourism boom to the US is inevitable next year," forecast Stephen Clay, managing director of American Airlines, a specialist tour operator to the US.

The current exchange rate means that we have been able to negotiate extremely favourable air-fare rates with American carriers and these will be passed on to our passengers in the form of very attractive air fares next year," he added.

Unilever, another specialist US tour operator, also reports an increase in demand. "British holidaymakers will have never had it so good since the turn of the decade," said Mr Nigel Jenkins, a director of Unilever. "We are excited, predicting an enormous growth in transatlantic travel next year."

Many tour operators believe the US is on course to become a major package holiday destination for Britons who are seeking an alternative to Mediterranean resorts. The decline in the value of the dollar means that British tourists now have 20 per cent more spending power in the US than at the same time last year.

Tour operators believe that the US, especially Florida, can offer better-value holidays than European resorts because of the higher standards of American hotels and the relatively low cost of eating.

British Airways, a leading carrier to Florida, reports that passenger traffic to the state rose by 28 per cent in the first half of this year compared with 1986. Since then the airline reports a "considerable increase" in traffic.

BA's new holiday company, Redwing Holidays, has recently introduced its first American holiday programme under the Sovereign brand name. Mr Vic Fatah, Redwing's managing director, said yesterday that sales so far had been very good.

The US-owned Pan American Airways also reports a higher level of passenger traffic this year. It has recently introduced three-day weekend breaks to New York and Washington for \$299 per person and says they have proved very popular.

Pickfords Travel, a leading travel agency chain, said yesterday that consumer interest in US holidays was up by 60 per cent in recent weeks compared with last year. Bookings were up by 30 per cent so far compared with 1986.

"Judging from the sheer number of inquiries over the last month alone we expect an even

bigger growth in US bookings for next year," commented Mr Kevin Welch, retail marketing director of Pickfords.

Florida, California, and New York remain the most popular destinations for British visitors, but demand for Hawaii and Texas is growing.

Ms Fiona Gordon of the Hawaiian Visitors Bureau, said yesterday that Hawaii had had 40 per cent more visitors from Britain this year.

Texas reports that more than 360,000 Britons visited the state last year, the largest incoming group outside of North America.

Mr Glenn Couvillon, executive director of Travel South USA, which represents a number of southern US states, said yesterday that increased demand for US holidays meant exhibitors had "paid for their participation at the World Travel Market within a day and a half of the even opening last Tuesday".

Cruise companies also expect to benefit from the surge in demand. Princess Voyages, the Peninsular & Oriental cruise subsidiary, says that since its shipboard prices for cruises out of Miami are calculated in dollars, British holidaymakers can expect a good deal because of the favourable exchange rate.

Some tour operators are warning about possible shortages of holidays.

Dixons to stock IBM personal computers

By Maggie Urry

DIXONS, the photographic and electrical retailer, yesterday became the first multiple retailer to stock IBM personal computers. Six Dixons stores are stocking the IBM PS2 Model 30 range, the smallest of IBM's new family of personal computers.

The appointment of Dixons as an authorised dealer for this model marks a further step by IBM towards widening its customer base. Dixons sells lower-priced personal computers, such as Amstrad, Commodore and Olivetti products, while IBM's personal computers have been the province of specialist dealers.

Dixons has agreed to send sales staff on an IBM training course. Dixons will offer a package consisting of the two-diskette computer, printer, software and after-sales service for about \$2,000.

IBM is aiming the package at small businesses rather than private users as part of its push for a share of the business equipment market.

Fifty business centres have already been opened at branches of Dixons.

Raymond Snoddy on plans to restore a tabloid's reputation

Strictly not for the Starbirds

UNITED NEWSPAPERS is to spend \$5m on advertising and promoting The Star to try to blot out memories of the embarrassing two-month joint venture with Sunday Sport when topless "Starbirds" reigned supreme.

Advertisements for The Star will begin tomorrow on all Britain's commercial radio stations and will continue in 15-week bursts, promoting the number of prizes to be won and the paper's emphasis on hard news. Mr Brian Hitchen, the new editor of The Star, where the topless count is now strictly rationed to one pin-up a day (full colour once a week), says that Lord Stevens, United's chairman, is "100 per cent committed to the future of the paper".

Mr Hitchen, former London editor of The Star and deputy editor of the Sunday Express, watched with anguish what was introduced into The Star during the two-month editorship of Mr Michael Gabbert.

"It was like watching a child being strangled. It was absolutely awful. I was acting as an employment agency for journalists who couldn't stand it. I originally hired some of those people," says Mr Hitchen.

When he was summoned from a holiday in Spain to the editor's chair, Mr Hitchen says the circulation of the paper was "in a power dive in flames". Sales had fallen by 200,000 in two months to 1.1m and the downward trend was accelerating.

Three months and there



Brian Hitchen: telling readers "what they want to hear"

wouldn't have been a paper," says Mr Hitchen, who started his career as a copy boy in Manchester and has nearly 10 years experience as a foreign correspondent.

After a month of 15-hour working days Mr Hitchen, a roly-poly figure who displays inordinate pleasure in having his own paper to edit at last, says the slide has been halted.

He hopes The Star will start picking up readers again by January although he declines to set

chester that Remembrance Sunday the sub-editors were planning a single word headline - COWARDS.

Cowards wasn't a strong enough word to deal with these vermin, so I wrote SCUM instead," he says.

Without waiting for the niceties of public opinion polls to confirm what he instinctively knew - that Star readers favour capital punishment - Brian Hitchen wrote HANG 'EM.

"We went boots and all to it," he says, and was pleased that his gut instinct appeared to coincide with the view of Lord Denning, former Master of the Rolls.

As well as trying to recover circulation losses, every Wednesday Mr Hitchen visits three different advertising agencies to reassure them about the future and outlines plans for his paper.

In particular he hopes to persuade Tesco, the supermarket chain which publicly withdrew its advertising from the Gabbert Star, to return.

Tesco says the ban on The Star still stands although the company might review the situation in the spring.

"It's like climbing the Elger without boots after what that for (Mr Gabbert and his boss Mr David Sullivan) did to the paper," Mr Hitchen says.

His most formidable weapon in the fight back is "a gut instinct for what sells newspapers."

"I will tell people what they want to hear. Anything else is just like telling them to go and buy somebody else's newspaper."

Market crash 'will have good effect'

BY CHARLES BATHCHELOR

THE STOCK market crash is, on balance, expected to have a positive impact on the venture capital industry, according to Mr See Lloyd, managing director of Venture Economics, a specialist consultancy covering the sector.

She said yesterday that the valuations of venture capital-backed companies which moved on to a public listing would be lower but, more importantly, venture capitalists would be able to negotiate better terms for themselves when backing new companies.

Mr Lloyd was speaking on the second day of a venture capital conference sponsored by the Financial Times and the British Venture Capital Association. It would be more difficult for venture capital funds to raise money in future, she said, but the industry had completed a record amount of fund-raising this year before the crash and had plenty of money to finance new ventures.

One result of the stock-market crash would be to make trade sales - sales to other companies - of venture capital-backed businesses an even more important means of realising investments. Between 1982 and 1987 more than 200 venture capital-backed businesses were sold to another company, compared with 143 floated on a public market.

Mr Lloyd said this would mean that it would be more important for venture capitalists to develop contacts with the British corporate sector. However, unlike US companies, few UK companies had shown much interest in backing smaller ventures.

In the past five years the British venture capital industry had grown rapidly, from just 57 management teams in 1982 to 120 this year.

The number of newcomers had now slowed with most growth coming from existing teams raising extra funds.

Venture capitalists raised \$43m in 1982 but were expected to raise \$700m this year. The sums invested had risen from \$110m to more than \$600m.

In 1982, 320 companies were backed by venture capital. This year about 700 would receive venture capital finance, taking the total number of British companies to have received backing since 1981 to about 3,600.

FT BVCA CONFERENCE VENTURE CAPITAL

Mr Lloyd said that pension funds were the main source of finance for venture capitalists, accounting for about 40 per cent of money raised. Private individuals, usually acting through Business Expansion Scheme funds, now accounted for proportionately less of the funding - 15 per cent compared with 31 per cent in 1982.

Management buy-outs had become a more important part of the venture capital industry recently, mainly because they provided their backers with a quicker return.

In 1982-87 14 companies valued at \$50m or more were floated while there were just nine flotations of companies valued between \$1m and \$4.9m. However, while just seven companies valued at \$50m or more were sold to a corporate buyer there were 43 sales of companies in the \$1m to \$4.9m range and 20 sales of companies valued at less than \$1m.

Mr Leendert van Driel, managing director of Glid Venture Fund of the Netherlands, said European companies should be more willing to seek market opportunities in Europe instead of automatically looking to the US.

"Have we really forcefully tried to break down barriers in Europe?" he asked. "There are opportunities for both entrepreneurs and for venture capitalists."

He said the syndication of venture deals across national borders in Europe was increasing. Transnational deals accounted for 11.3 per cent of all new investments by value in Europe last year compared with 7.4 per cent in 1986, according to the European Venture Capital Association.

HOW CAN YOU TELL IF A QUALIFICATION IS WORTH THE PAPER IT'S PRINTED ON?



Each year, nearly two million vocational qualifications are awarded in Britain. They are awarded at almost every level, in almost every field. From accountancy to welding.

Now while some are valuable to employers, others apply standards that are out of touch with the real needs of work.

Too many qualifications still over-emphasize theory at the expense of practice.

What makes things worse is that while some occupations have a mass of overlapping qualifications, others have none at all.

The result is confusion. You, as an employer, can't tell just how well qualified job applicants really are.

Or which qualifications would improve the performance of your existing staff.

Which creates a lack of confidence in the qualifications themselves.

Last year the government decided that something had to be done.

So the National Council for Vocational Qualifications was set up to make the system work.

To make it relevant to the needs of every business and industry. (Including your own.)

To make sure each occupation has its own clear set of qualifications.

To make the system effective and employment-led.

We do this by going to both employer and employee organisations.

They tell us the standards at work that qualifications need to meet.

If a qualification falls short we discuss the ways in which it should be changed with the awarding bodies.

When it does reach the standard however,

it's stamped with our insignia and given the title of National Vocational Qualification. Or NVQ.

That's our seal of approval. A sign that someone really will be useful to your company.

And you will be able to tell just how useful because all NVQs are classified according to occupation and level of competence.

You will also know which qualifications would help your employees increase their own efficiency and productivity.

We don't give the title of NVQ easily.

For example, when we asked the retail sector to review its qualifications, none merited the title of NVQ as they stood.

So now all involved are working flat out to ensure the qualifications reflect the industry's needs.

Some industries have already established appropriate standards.

As a consequence we've granted NVQ status to certain qualifications in hotel and catering, vehicle maintenance and repair, electrical contracting, as well as agriculture and the retail travel business.

But then we have also turned some down.

The NCVQ is reviewing qualifications in many different fields, making sure they are worth the paper they're printed on.

Because if the qualification system doesn't work, it's not just your employees who get their fingers burnt.

It's you as well.

If you think your own business or industry could benefit from our help write to the National Council for Vocational Qualifications, 222 Euston Rd., London, NW1 2BZ, for more information.



Lloyds Bank American Express Gold Card

With effect from 4 December 1987 the rate of interest applicable to Lloyds Bank American Express Gold Card overdrafts has been reduced to 0.9 per cent per month. Effective Annual Rate 11.3 per cent.



Lloyds Bank

A THOROUGHNESS AMONGST BANKS.
Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

UK NEWS - EMPLOYMENT

POST OFFICE WORKERS AGREE TO PRODUCTIVITY SCHEME AND FLEXIBLE WORK

Mail staff win reduction in hours

BY JIMMY BURNS, LABOUR STAFF

LEADERS of the UCU postal union yesterday announced a one-and-a-half hour reduction in the working week for 110,000 sorters and delivery staff in return for new productivity-linked measures aimed at improving efficiency and quality of service.

Details of the agreement reached between the Post Office and the Union of Communications Workers, which ended the threat of disruption to Christmas mail services, emerged after the deal was ratified by the union's executive, which will now recommend its acceptance by UCU members.

While the reduction in the

working week falls short of the three hours originally sought by the union, UCU officials yesterday claimed it meant Post Office workers had become the largest group of public sector employees to achieve a major reduction in hours since the Government came to power in 1979.

Features of the agreement include:

- A shorter working week from September 1988 for parcels staff and from November 1, 1988 in the letters division.
- A new performance-based productivity scheme for 6,000 parcel staff from 1 April, 1988, and from the same date a three-year "interim" real unit labour cost scheme for 110,000 sorters and

delivery staff.

- Buying-out from the state date current productivity bonuses. For those employees earning weekly bonuses of more than £20, there will be lump sum payments which the union says could average more than £1,000.
- Co-operation from the UCU on the introduction of more flexible working patterns including the introduction of late deliveries on Saturdays.

Mr Alan Tiffin, UCU general secretary, said his union had endorsed a "magnificent agreement" which would avert a Christmas strike.

He said: "We have waited 13 years for this. It is 22 years since the union last won a reduction

in the working week."

A feature of the agreement on productivity is that it will give the biggest boost for the lowest paid members that the union has ever achieved.

The UCU said yesterday that 49,000 Post Office employees will get a new pay supplement of £7.50 weekly. Of these, 22,000 employees had received no bonus whatsoever under the old productivity arrangement.

The union believed the reduction of the working week from next November 1 for sorters and delivery staff will be absorbed without cost to its members and that their earning levels will be maintained.

Building industry benefits plan agreed

By Eric Short, Pensioners Correspondent

A REVISED industry-wide benefit plan for building employees, to meet next year's changes in the pensioners' environment, has been agreed by the Building and Allied Trades Joint Industrial Council.

It is intended to provide employees in the building industry, which has the most mobile workforce in the country, to take advantage of new pensioners' opportunities.

The existing Batfic scheme provides holiday pay, death benefits and cash-sum benefits at retirement on a non-contributory basis for employees with investment with the Abbey National Building Society. Pension provision has generally been left to the state.

But with the cuts in benefit from the State Earnings-Related Pension Scheme there is a need for employers to consider providing pensions for their employees. For the younger employees, better benefits than State Pension are usually given without any additional cost to the employer.

The existing scheme is to continue with two new layers added: a contributory retirement benefit scheme and a money purchase scheme that can be contracted out of State.

The first layer can be used to increase the tax-free cash sum. The second can be used to increase the ultimate pension. In each case employees get tax relief on their contributions.

Contributions made by the employer and employee are to be in multiples of 70p a week - the current minimum employer contribution for the non-contributory scheme.

The scheme has been arranged by Minet Consultancy Services and Crusader Insurance, the latter will underwrite the scheme, handle the administration and all the investment.

The key is simplicity and the pension contracts take the form of a deposit where the underlying value does not fall. Benefits are fully portable between employers.

There are currently 3,000 members in the Batfic scheme, but the potential membership is over 300,000.

The scheme is endorsed by the Building Construction and Civil Engineering Group of the Transport and General Workers Union. Its national secretary, Mr George Handcock, said that it would encourage members to join.

TV-am dispute intensifies as journalists prepare for ballot

BY JOHN GAPPER, LABOUR STAFF

THE INDUSTRIAL dispute at TV-am, intensified yesterday when the National Union of Journalists at the company decided to ballot members on whether to support 223 technicians who have been locked out.

Shop stewards of the EETPU electricians' union from all ITV companies were meeting last night to decide whether to ballot members on national action to resist changes elsewhere.

Journalists at TV-am decided to go into formal dispute at a chapel (office branch) meeting yesterday, but are unlikely to ballot members until after a meeting of the NUJ's national executive next Friday.

Type Television, which is

in dispute with the EETPU over the dismissal of 39 electricians, yesterday briefed officials of the Acas conciliation service.

Thames Television yesterday decided to retain production of a serial, The Bill, after staff agreed to cost-cutting changes in working practices under threat that the project would go to an independent producer.

The decision was made by executive directors of Thames yesterday after members of the Beta staff union had accepted the changes on Thursday.

Mr Richard Dunn, Thames managing director, said although the £9m cost of making the serial in-house would be higher than that of putting it out to an independent, the company

would have greater creative control. He said Beta staff and members of the ACTT technicians' union at Thames, which had agreed the changes earlier, had shown willingness to change in response to competition.

The agreement by the company's unions to changes, including more flexible meal breaks and the giving up of a location filming payment, marks the latest of a series of working practice reforms at Thames.

It is also the most significant example so far of an ITV company persuading unions to agree to changes by using the sanction of independent producers. The Government has said independent producers are to be allowed access to 25 per cent of the ITV network.

Kevin Brown reports on why the mail monopoly looks safe

Private groups in no rush to challenge PO

EXPRESS delivery companies were probably virtually alone in the UK yesterday in regretting the settlement of the Post Office dispute, which would have given them a clear run at the valuable Datapost and parcels business.

It is clear, however, that the private sector had neither the intention nor the capacity to provide an alternative general postal service during a strike, despite claims that they were ready to step into the breach.

Leaders of the Union of Communications Workers remain convinced that Ministers intend to remove the Post Office monopoly on non-premium mail - effectively letters costing less than 51p - and that the strike would have provided the perfect opportunity.

But private sector managers said that, in the short-term, there would be no rush to provide an alternative to the first and second class mail service, whatever the Government decides to do about the monopoly.

Mr Peter Towle, chief executive of Securicor Express, one of the biggest private parcels companies, said that even if all the private companies' resources were combined they would still be unable to match the Post Office system.

Other private sector managers made it clear that because of the scale of the investment required to increase capacity they would be looking for longer-term business.

Even TNT, the aggressive Australian-based transport group

TNT suggests a duopoly like the competition between BT and Mercury

which has led the private sector attack on the Post Office, said it would require strong government guarantees before moving into ordinary domestic mail.

Mr Alan Jones, general manager of TNT Roadfreight, said a competitive service would require 20,000 extra staff and 9,500 new offices costing tens of millions of pounds.

"Obviously, to do that we would have to be assured of a long-term future. There is no way we are going to take on 20,000 people for three weeks and then get rid of them. It is morally wrong and we would very likely lose a packet on it anyway," he said.

Mr Jones said that even abolition of the monopoly would be unlikely to bring private companies into the ordinary letter market, unless the Post Office was abolished at the same time.

This is because of the immense volume of mail required to match the Post Office's unit costs, and therefore its prices. Most of the express companies believe that a low volume competitor would have to charge nearer £2 than 18p for a national letters service.

TNT has suggested to the Government that the way around this problem is to create a duopoly along the lines of the competition between British Telecom and Mercury.

In this scenario, TNT would play Mercury to the Post Office's Telecom, and both would be guaranteed sufficient volume to operate efficiently.

TNT says it deserves this privileged status because of its established national and international delivery network, good labour relations, and experience of setting up distribution operations such as the road delivery of Mr Rupert Murdoch's UK newspapers.

TNT will continue to press for competitive reform, especially in view of the possibility of further strike threats to mail services. Mr Jones said: "We cannot go on putting up with this sort of nonsense. It is holding UK Ltd up to ransom."

The Trade and Industry Department has kept a low profile on the possibilities of suspending or abolishing the monopoly, and there was no comment on the issues raised by TNT's proposed duopoly regime.

The DTI confirmed, however, that while primary legislation would be required to abolish the monopoly, it could be suspended for an indefinite period by statutory instrument, a procedure which would normally take about three weeks.

The duopoly suggested by Mr Jones would be fiercely resisted by TNT's private sector competitors, who would regard such an

arrangement as an unjustified commercial coup.

Mr Colin Millbanks, European senior vice-president of Federal Express, a leading world express carrier, said he would have to study the cost of a postal service if the Post Office monopoly was lifted, but doubted that it would be possible to compete on price.

"I don't think there is much doubt that there is a ready market to try a competitive service, but I don't think there is much point in telling Mrs Jones it is going to cost £2 to send a letter to her mother-in-law," he said.

The real target of the private companies is to increase their share of the fast-growing express market, which has become increasingly competitive since 1981, when the Post Office monopoly on letters costing more than 51p was suspended for 26 years.

The Post Office also faces poaching on the margins of its international business, but again, this is directed largely at time-sensitive express services.

Mr Brian Pittall, managing director, UK services, of DHL International, the largest international express carrier, said a strike in the future would cause some Post Office customers to switch to private carriers, and some business would then be retained after a settlement had been reached.

But even if the monopoly was abolished I think it would be very difficult to offer a service that was competitive with the Post Office on a door to door basis," he said.

You may be in two minds which you need. You may need both. Either way talk to us.

We can put the expertise of both Datapost and Royal Mail Parcels at your disposal.

Datapost is already rated the country's most reliable overnight courier. As well as one of the swiftest overseas.

Whilst Royal Mail Parcels can offer you one of the most attractive ranges of business services. At an equally attractive price.

When you're depending on it, Datapost it.

Datapost guarantees delivery. Anywhere in the UK. And to more than ninety countries worldwide. Pronto.

For documents, packages, heavy goods and consignments.

At home, we can reach any major business centre by 10am next day.

Further afield by midday.

Whilst overseas, all deliveries are carefully timetabled. And once we agree a deadline, we meet it. Guaranteed.

All you have to do is pick up a phone and call Freephone Datapost. We'll collect.

The number one business carrier.

It's no idle boast. As a business carrier Royal Mail Parcels is unrivalled.

We deliver more parcels than every other national carrier put together. Safely, dependably and usually within four days, often less.

We're not just better than the rest. We're better value for money too.

We'll collect from you. Free of charge. And, thanks to our new Business Tariff, pricing is now simpler by far.

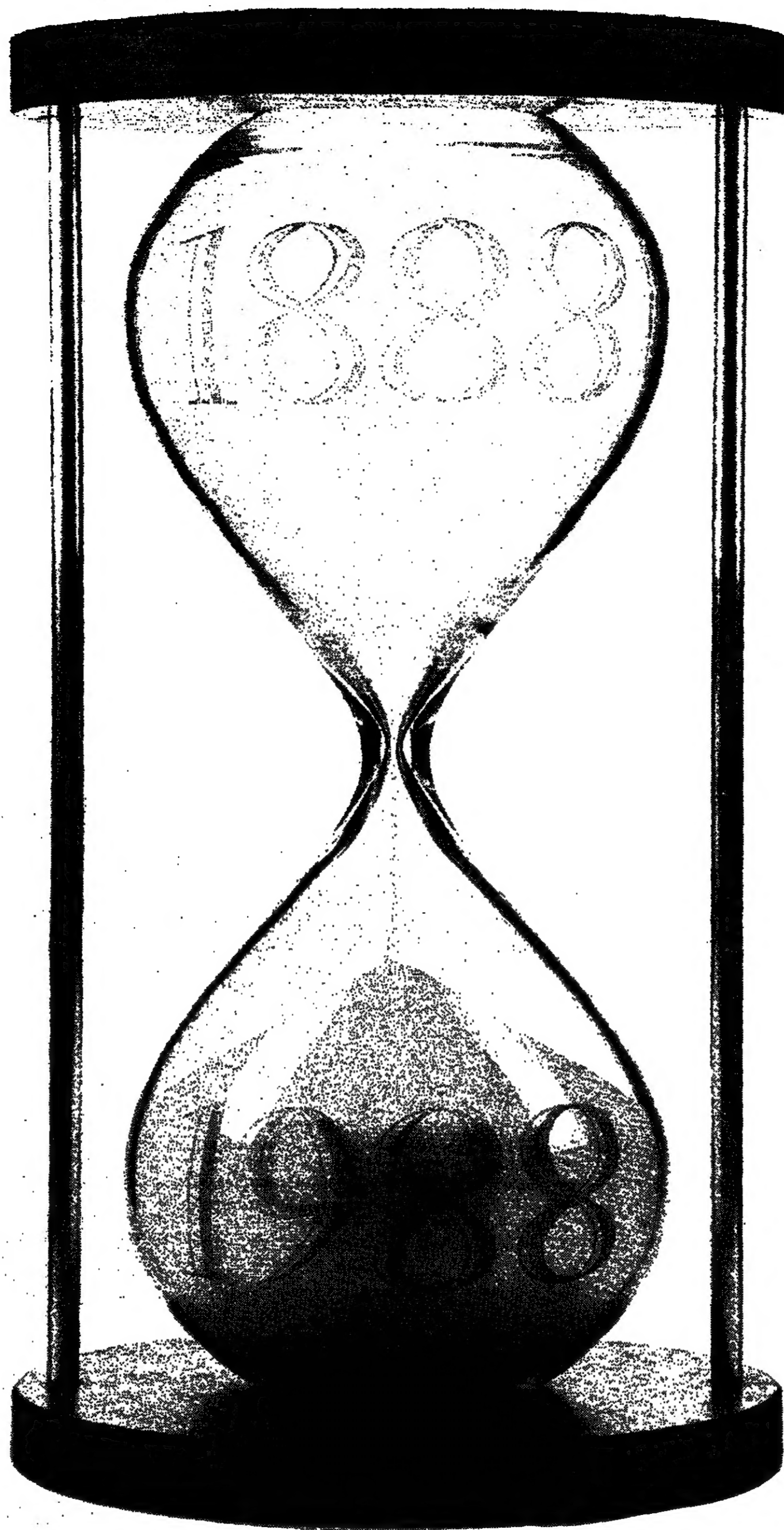
Offering prompt, efficient handling to all our customers.

Guaranteed express delivery and outstanding value for money across a whole range of business services.

With Datapost and Royal Mail Parcels there's one thing you'll never be in any doubt who to talk to.

Datapost

Royal Mail Parcels



The Once-in-a-Century Survey

This is the FT's first Once-in-a-Century Survey: the next will be on February 13th 2088. But this is the one that sets the pattern.

LOOK BACK IN AMAZEMENT...

The FT writers have warmed to the task of looking back over the first 100 years of the FT's life.

Two World Wars...The Wall Street Crash...The Marshall Plan...The Treaty of Rome...The Welfare State...The Motor Car...

These and all the other milestones which have brought us up-to-date are recreated and reassessed.

...AND FORWARD IN HOPE

Then, in a linked series of articles which examine world-issues from a cultural and economic point of view, the writers look as far forward as the winds of change will allow.

THE FT AS HISTORY

From the reporter's notebook to the floppy disc,

all the various sources of information that a great newspaper accumulates in the course of a century have been raided for the survey.

Don't miss it. There's a long wait for the next one.

For details on how to advertise in the FT Centenary Survey contact Tim Kingham telephone: 01-248 8000 ext. 3606 or your usual FT office.

No FT...no comment.



EUROPEAN OPTIONS EXCHANGE

Series	Feb. 88	May 88	Aug. 88	Stock				
GOLD C	1480	77	25 50	9	40	22	28	3480.75
GOLD P	1480	77	25 50	9	40	22	28	3480.75
GOLD P	1480	77	25 50	9	40	22	28	3480.75

Series	Feb. 88	May 88	Aug. 88	Stock				
SILVER P	1700	21	125 0	43	60	8	1	5479
SILVER P	1700	21	125 0	43	60	8	1	5479

Series	Feb. 88	May 88	Aug. 88	Stock				
EOE Index C	1155	36	8	29	12	3	13	1158.53
EOE Index C	1155	36	8	29	12	3	13	1158.53
EOE Index C	1155	36	8	29	12	3	13	1158.53

Series	Feb. 88	May 88	Aug. 88	Stock				
ABN C	1140	172	0.30	122	1.10	4	220	1140
ABN C	1140	172	0.30	122	1.10	4	220	1140
ABN C	1140	172	0.30	122	1.10	4	220	1140

BASE LENDING RATES

Bank	Rate	Bank	Rate	Bank	Rate
ABN Bank	10.50%	Charterbank	10.50%	Nat. Bk. of Kuwait	10.50%
Admiral Bank	10.50%	Citibank	10.50%	Paribas	10.50%
Alfred Berg & Co.	10.50%	Commerzbank	10.50%	Paribas	10.50%
Alfred Berg & Co.	10.50%	Commerzbank	10.50%	Paribas	10.50%
Alfred Berg & Co.	10.50%	Commerzbank	10.50%	Paribas	10.50%

BANK RETURN

Banking Department	December 1987	December 1986
LIABILITIES		
Capital	14,000,000	14,000,000
Reserves	1,115,000,000	1,115,000,000
Other	1,000,000,000	1,000,000,000
ASSETS		
Government Securities	488,000,000	488,000,000
Other	1,000,000,000	1,000,000,000

Issue Department	December 1987	December 1986
LIABILITIES		
Capital	14,000,000	14,000,000
Reserves	1,115,000,000	1,115,000,000
Other	1,000,000,000	1,000,000,000
ASSETS		
Government Securities	488,000,000	488,000,000
Other	1,000,000,000	1,000,000,000

LEADERS AND LAGGARDS

Percentage changes since December 31 1986 based on Thursday December 3 1987	Leader	Laggard
Banking	10.50%	10.50%
Insurance	10.50%	10.50%
Real Estate	10.50%	10.50%
Other	10.50%	10.50%

RISKS AND FALLS

	On Friday			On the week		
	Rises	Falls	Same	Rises	Falls	Same
British Funds	13	105	9	305	219	121
Corporations, Dom. and Foreign Bonds	163	77	18	378	63	54
Industrials	165	79	595	378	3,219	3,126
Financial and Props	51	331	246	478	1,284	1,382
Dis	19	42	50	110	216	229
Plantations	20	0	13	4	8	58
Mines	1	94	84	251	337	402
Others	42	141	64	297	611	398
Totals	312	1,531	1,080	2,867	6,057	5,730

REGIONAL DEVELOPMENT

The Financial Times proposes to publish a Survey on the above on

THURSDAY 28TH JANUARY 1988

For a full editorial synopsis and details of available advertisement positions, Please contact:

BRETT TRAFFORD

01-245-5116

or write to him at:

Bracken House, 10 Cannon Street, London, EC4P 4BY, Tel: 8954871

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

Authorised Unit Trusts

[illegible]

MARKETS

Buy now and wait for pleasant sensations

"IT IS OF a similar scale to experiencing a major personal tragedy," says Mr Franz Schmidt, head of research at Trinkaus & Burkhart, to explain the present shell-shocked state of the West Germany equity market.

Even Thursday's 0.5 per cent point cut in the discount rate to 2.5 per cent - the lowest level in German central banking history - failed to stimulate the stock market. No-one expects the gloom over German shares to shift this year. Some doubt it will dissipate particularly

that any fall in the value of the US currency triggers instant selling by export-conscious investors.

But the German market's greatest weakness remains structural. For all the efforts of the bourses and the banks, most domestic investors remain very reluctant to buy shares in any real quantities. Those who missed out on the surge in equity prices in 1985 and 1986 and stayed with their familiar fixed income instruments are now sitting back complacently.

Nervous foreign investors selling en masse have been characteristic of many international markets since Black Monday. But what stands out in Germany is the marked absence of domestic investors on the buy side willing to take a risk: hence the strong feeling in Frankfurt that things can only get worse before they get better.

West Germany

quickly in 1988.

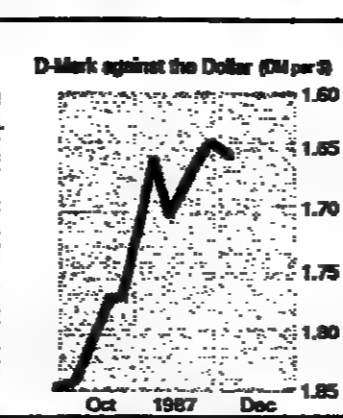
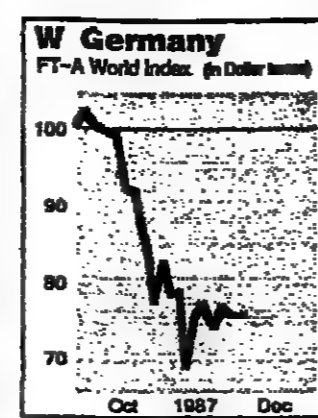
Dependancy about equities is not exclusive to Germany at the moment, of course. But while most other markets powered ahead through 1987 until October's crash, German equities have been in the doldrums all year.

The reasons are well known. Prices stayed stable because of the bourse's unusually high dependence on foreign investors, who turned for much of the year to better prospects elsewhere in continental Europe. Moreover, many shares in Germany are susceptible to the dollar/Deutsche Mark exchange rate, meaning

a market that is now "stone dead," according to a senior Deutsche Bank trader. "There is no fresh money and investors are just licking their wounds," he says, likening the present torpor to the 1960s and early 1970s, long before German equities began their surge.

Ironically, it is now widely acknowledged that there is tremendous value in certain shares. Take the story doing the rounds about a corporate raider buying the entire stock of Siemens (which, unlike some German groups, is widely held).

Such an intrepid investor would actually come off a couple

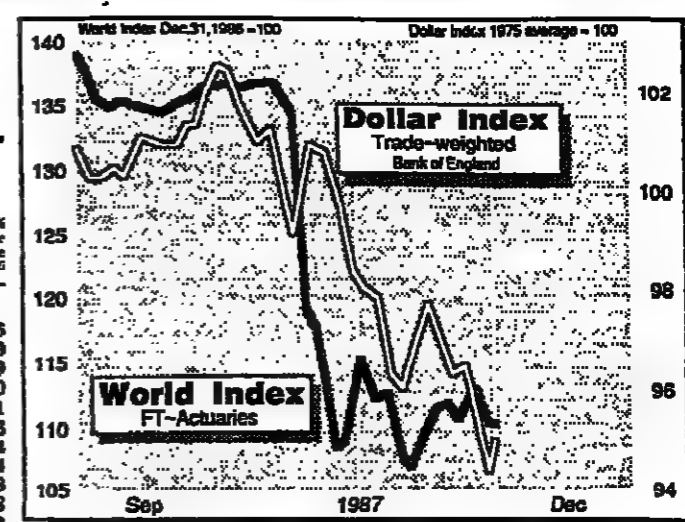


of billion Deutsche Marks the richer once the purchase price had been netted off against the group's well-known DM20bn in liquidity - not to mention the odd factory dotted around the world.

Of course, the calculation takes no account of the lift in the share price a buying spree would trigger. But it dramatises the present undervaluation of Siemens shares, and those of other asset-rich groups like Allianz, Europe's biggest insurance company, and the Munich Re, the world's largest reinsurer.

Deutsche Bank is another case in point. Its pre-eminent status

Country	% Change from June 29	US \$ % change from Oct 16
Australia	-26.3	-39.6
Austria	+8.4	-8.9
Belgium	-18.6	-17.9
Canada	-19.0	-18.0
Denmark	-4.3	-7.1
France	-21.0	-16.6
W Germany	-21.3	-22.4
Hong Kong	-34.6	-45.4
Ireland	-34.3	-34.8
Italy	-18.4	-15.8
Japan	-2.3	-7.2
Malaysia	-41.4	-41.7
Mexico	-32.2	-37.9
Netherlands	-24.5	-21.3
New Zealand	-21.5	-40.3
Norway	-27.0	-42.8
Singapore	-27.6	-44.6
S Africa	-4.7	-21.2
Spain	-4.6	-27.7
Sweden	-19.3	-30.6
Switzerland	-18.7	-25.8
UK	-21.9	-25.6
USA	-24.3	-18.9



month, but Frankfurt analysts say the German market has already effectively shut down for the year. "Turnover on the German stock exchanges is constantly declining at present, and business would be turning down now anyway," says one dealer.

The shares to buy are fairly obvious but most analysts are not so united on what to avoid. The combination of a weaker dollar, possible overcapacity next year leading to output cuts and the prospect of higher competition in Europe signal a difficult period ahead for Germany's car manufacturers. So while the secure stories of Porsche passing its dividend are undoubtedly exaggerated, few would be sur-

prised to see a distinct slowdown.

What then should one advise the brave investor wanting to dip into the undervalued German market? The following seem to be the golden rules: stick to top quality; buy only on the weakest days; and don't purchase all the shares you want at once, in case prices slip a little further.

Those who go ahead should think as they would if they were laying down top-class wine. It is at least a medium-term investment, but there should be a pleasant sensation in the end.

Haig Simonian

Ever more bearish by the day

THE MARKET for US stocks has taken on the habits of the bear. In the past six trading days, the market as measured by the Dow Jones Industrial Average has fallen nearly 10 per cent to levels last seen on October 19. There is no panic. The fall has been steady and orderly. But it is beginning to scare the wits out of Wall Street.

point seven weeks ago. Though the market recoiled from that grim portal in the morning, it was as jumpy and gloomy on Friday as at any time in the last seven weeks.

While shunning good news, the market is taking a perverse pleasure in bad. Thursday showed this bearish attitude in the market's response to November sales figures from the auto-

or down. However, the discounters did better and reports of sales since Thanksgiving have been encouraging. But Wall Street's reaction was as if Christmas had been abolished. Wal-Mart fell 10 per cent on Thursday, while Sears, J C Penney and Dayton Hudson were down several points.

The stock market's problem is that it has nothing to look forward to. It resembles a spoiled child. Having thrown its terrifying tantrum on October 19, the market has been given almost everything it wants by worried adults.

The Federal Reserve has poured in liquidity. Against all the instincts, Congress and the White House have agreed a package of sorts to relieve the pressure on financial markets of the budget deficit.

West Germany, against its better judgement, has agreed to stimulate its own economy and cut its interest rates. A US-Soviet summit meeting in Washington heralds the warmest period in great power relations in memory. And the stores along Fifth Avenue are lit up for Christmas.

Wall Street

Last week, the market showed a classic bearish trait. It was given all the good news it could hold and it took no notice.

The cut in interest rates overseas, which was supposed to stimulate world demand and balance US efforts to cut the federal budget deficit, duly occurred last Thursday: the Dow fell 72.45 points to 1776.82.

On Friday, unemployment figures showed that the US economy was humming in November as if October 19 had never happened: the Dow opened down and then trudged towards the 1798.41 that marked the low

mobile manufacturers and the big retailers.

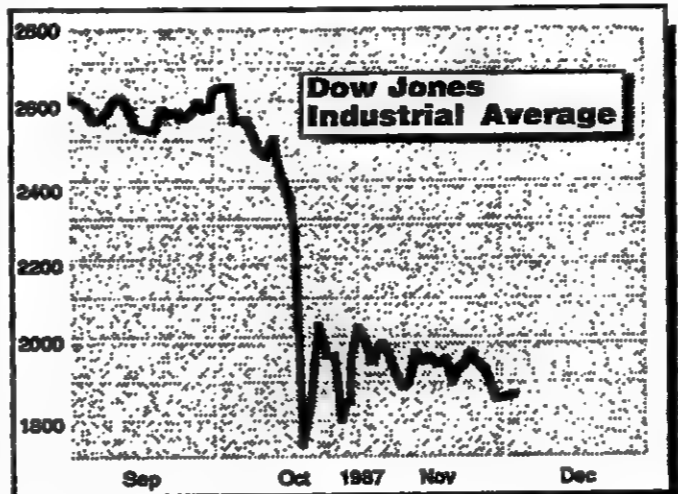
The motor sales were up 9.9 per cent in the last 10 days of November, but the stocks of the Big Three all fell. At \$56 on Friday, General Motors is barely off its October low.

The retailers' figures were inconclusive. Comparable sales from the big department chains such as Sears Roebuck were flat

Washington's immense labour simply to produce the mouse of the deficit package means that there is no point looking in that direction for generosity. The market has nothing to do except play around with earnings forecasts - which are so wildly different as to constitute mere guesses - and wait for something bad to happen.

textiles.

Last week's stimulatory measures in Europe might never have occurred for all that they did for the dollar's value. Yesterday, there were reports that the Fed was intervening to buy dollars for the first time in months. But the dollar was still trading



under the levels of Y188 and DM1.57 that it last saw before Thanksgiving.

The credit markets, which were banking on a recession as the only way to curb demand and stabilise prices in the economy, have completely lost heart. Treasury bond yields, which were down more than two percentage points from their October 19 peak at the beginning of November, have been climbing steadily ever since. The Treasury long bond has been yielding comfortably over 9 per cent for over a week. So much for the deflation that the stock market crash was going to bring.

The only fixed-income sector that has prospered recently is the junk bond market, but this is a strange animal at the best of times.

Because junk bond issuers depend on strong corporate profits and a good market for stripped assets to finance their expensive debt, these securities have some of the features of stocks. The improvement in junk bond yields since the stock market crash shows that investors no longer fear a recession will bring defaults all round.

But the stock market is just using these market to reinforce its own gloom. Import-sensitive stocks have indeed rallied, with the likes of Dow Chemical and Bethlehem Steel up more than a third from their lows in the crash, but this is just one shrinking corner of the market, as it is of the US economy.

For the stock market as a whole, the falling dollar and rising interest rates are worrying signs that confidence in the post-Crash order in the US is ebbing away.

A fall through the October 19 level would send the alarming message that stock investors have decided that no progress has been made at all to fix the imbalance of demand and savings in the US economy.

But even if that does not happen, the three main markets are coming into line in a way that is ominously reminiscent of early October.

James Buchan

FULL SERVICE COMMENCES DEC 7th

RING NOW FOR A PREVIEW

0898 123 456

CITYLINE

0898 123 456

Ring the changes.

Ring the changes.

Starting on 7th December, the Financial Times introduces a remarkable new telephone information service. **FT Cityline**.

Simply by picking up the phone and dialling the **FT Cityline** number you can access the FT's own vast databank of financial information. You'll get up-to-the-second prices on over 3,500 leading shares and a choice of 16 different **FT Cityline Financial Reports** including the UK Stock Market, Bullion, Tokyo and the Foreign Exchange and Currency reports.

All this information is yours for just the price of the phone call.

At the same time, we are proud to announce **FT Cityline Portfolio**, a brand new service designed for private and professional investors. For an annual subscription of £35 (inc. VAT), you will be allocated a personal account number to enter your own share portfolio into the **FT Cityline** computer. Then, at any time, you can dial up the real-time price of each share and, in addition with **Portfolio Plus**, the total value of your portfolio.

The **FT Cityline** service starts on 7th December. To ensure you get your free copy of the **FT Cityline Share Index** booklet, your **FT Cityline Code Card** and further details of **FT Cityline Portfolio** - post the coupon now.

TO: FT CITYLINE, P.O. BOX 3, DISS, NORFOLK IP22 3HH

NAME _____

POSITION _____

COMPANY (if applicable) _____

ADDRESS _____

TELEPHONE NO. _____

NATURE OF BUSINESS _____

FINANCIAL TIMES CITYLINE

Straight to the heart of the City.

Oxford

Cambridge

The flags will be out on the 8th!

THE VARSITY MATCH

Oxford v Cambridge, Twickenham, 8 December at 2.00 pm

Whether your colours are light or dark blue Twickenham will be as colourful as ever at this great annual sporting event.

Bowring, one of the world's foremost insurance and reinsurance broking organisations, has been proud to sponsor The Varsity Match for twelve years and feels amply rewarded by the enjoyment afforded by these highly competitive occasions.

The presentation of the coveted Bowring Bowl to the victor is the focal point of this continuing commitment.

The lines are open for your credit card bookings so make sure of your ticket now.

MATCH SPONSORS

Bowring

C T Bowring & Co Limited

The Bowring Building, Tower Place, London EC3P 3BE

Tel: 01-283 3100 Telex: 882191

A member of Marsh & McLennan Companies, Inc.

FINANCE & THE FAMILY

Richard Waters on changes to building societies

Looking for converts



CHILDREN AND small investors stand to benefit from a cash bonus if building societies take advantage of their right from the beginning of next year to turn themselves into public companies.

The rules which govern the conversion of societies - which currently have mutual society status - into companies were outlined last week by the Building Societies Commission, the industry's regulatory body.

The most controversial aspect of these concerns the use to be made of a society's reserves. In theory, the reserves belong to all of its investors, but most will never be able to cash in on their share of these.

The largest building society, Halifax, for instance, has around 10m investors. It had reserves at the start of this year of £1.12bn - or around £4.50 for every £100 of money invested.

The Commission's rules state that all those who are not eligible to vote on whether their society becomes a company should be paid their share of the reserves, if and when the society converts. This is calculated by multiplying the reserve ratio (in Halifax's case, 4.5 per cent) by the amount invested.

People under 18, and those with under £100 invested, cannot vote. Should the Halifax convert into a company, therefore, these people would receive 4.5 per cent of their investment in the society as a lump sum.

For a child with £1,000 in a

building society account, that would be worth £45. At current rates, that is more than an entire year's interest on a paid up share account (Halifax pays 4 per cent), though higher-interest accounts pay more like 6 per cent.

Those who can vote are still entitled to a share of the reserves in theory. But this is a purely notional benefit: they can never receive their share unless the society is wound up.

Their reserves will be kept in something termed a "liquidation account". As investors reduce their investment in the society, the value of the liquidation account will fall accordingly. Putting new money into the society will not increase the value of the liquidation account, even if it has been reduced by an earlier withdrawal.

Children stand to gain most from these rules. Older investors may be tempted to break up an account to create several others with less than £100 in them, but this may not prove worthwhile. For a start, a society will add together the balances of all of an investor's accounts when assessing whether he or she falls below

the £100 level. This means that separate accounts of less than £100 would need to be taken out with separate building societies - hardly worth the effort given the potential gain (less than 5%).

Also, breaking up an account could cause an investor to lose out on interest. Accounts with more than £500 generally qualify for higher rates of interest. These rise as the amounts invested get larger.

There is an added complication. Building societies have two types of investor: members (otherwise known as shareholders) and depositors. Most building society account holders are mem-

bers - in other words, they qualify as "owners" of the society and share in the reserves. But a minority are simply depositors, and like bank depositors, have no rights beyond the money they deposit and the interest earned on it.

The 2m holders of Halifax Cardcash accounts count as depositors. Other societies have far fewer depositors: Abbey National, for instance, is believed to have only around 100,000 depositors, compared with nearly 8m members. Depositors do not have a vote or a share of the reserves.

There is one potential benefit that will cover almost all of the customers of a society that decides to convert: they will be first in the queue for shares. Although the stock market collapse has made small investors wary of share ownership, there is nothing more likely to tempt them back to the market than the chance of buying a stake in a society they already, in theory, own.

The bonus for these shareholders is that they will be the real beneficiaries of a society's

reserves - despite the liquidation accounts mentioned above. Also, like the TSB "privatisation", the proceeds of a sale will go to the society concerned, not to the Government.

Mr John Wrigglesworth, of Phillips & Drew, offers as an example a society with reserves of £1bn, which raises a further £1bn in a share issue. Its capital (reserves plus new shares) is then £2bn. Since societies, like banks, are restricted in their activities by the amount of capital they have, this doubling of resources would enable them to engage in a wider range or greater volume of business, or both. The result should be greater profits - and only the shareholders, not the account holders, benefit from this.

There is a catch: only investors who have had a building society account for at least two years qualify for priority shares. So it may already be too late to open a building society account with an eye to being at the head of the queue for shares.

These windfalls from conversion look to be some way off. Abbey National is the only large society consistently rumoured in the City to be considering conversion. But like the others, it says it has no plans to follow this route at the moment. Others, such as Nationwide Anglia, are positively opposed to the idea of becoming public companies. Conversions are widely expected, but not imminently.

Currie's new mix

FROM Charlotte Square, Edinburgh, Martin Currie Investment Managers claim three firsts for the Martin Currie Savings Plan, a scheme for small investors which is being launched this week.

The plan focuses on the four Martin Currie investment trusts: Scottish Eastern, Securities Trust of Scotland, St Andrew Trust and Martin Currie Pacific Trust.

The managers say there will be no "lock-in" period for investors charged to investors who apply directly to Martin Currie. "We have ensured that all deals will be done through market makers and that there will be no commission payable by the small private investor," says David Skinner, managing director.

Second, under certain circumstances - such as lump sum investments, which usually require financial advice - a commission of up to 3 per cent is payable to qualified intermediaries. The latter exists on commis-

sion, notes Skinner, and they will be inclined to recommend unit trusts which pay it, rather than investment trusts which generally do not.

Third, it is Martin Currie, the management company, which is paying for the promotion, design and advertising of this offer, rather than the investment trusts. Martin Currie gets a management fee, but Skinner says this is below the average for investment trusts.

As to timing of the offer, the managers say they see no problem in launching a long-term savings plan. The money tendered will be used to buy existing shares in the underlying trust, to be bought in the market through the Bank of Scotland, so investors would be able to buy at a discount for the time being. Martin Currie manages assets of approximately £2bn.

William Cochrane

TRT rival plans

FIRMANDALE Investments, which holds 27 per cent of the £520m TR Technology Investment Trust (TRT), has requisitioned an extraordinary general meeting of TRT through its advisers, Berkeley Govett & Company.

TRT, its managers Touche Remnant and its advisers Morgan Grenfell said this week that the requisition is unsolicited and unwelcome.

Firmandale wants the meeting to consider two alternative motions, both of which basically envisage conversion of TRT to a split-level structure, which might be expected to reduce the

discount to assets against which the shares have been trading.

However, TRT says that Berkeley Govett unilaterally terminated discussions between the two sets of advisers. "The discussions were held to consider proposals which the Board of TRT believed were superior to those put forward by Berkeley Govett and which were designed to achieve the objectives of Firmandale in a manner acceptable to, and in the interests of, all shareholders."

TRT and Touche Remnant believe that the discussions could have formulated improved proposals. The TRT Board says it particularly regrets the Firmandale statement that it will vote against any restructuring proposals put forward by the TRT Board, including those currently being considered for submission

to shareholders. They say they will be writing to shareholders with detailed advice to vote against the Firmandale resolutions.

In a happier meeting of minds, two unit trust management operations are merging in an agreed deal. Baltic has agreed terms with Aberdeen Fund Managers for the merger of its wholly owned subsidiary, Abrust Management, with Baltic's investment management division, comprising Baltic Trust Managers and Fraser Henderson. Aberdeen Fund Managers, in which Ensign Trust has a substantial interest, has funds under management of £24m which, after the merger, will total £120m.

WC

Relaunch for FT Cityline

RESPONDING to the growth of instant share price services and changes in policy at British Telecom, FT Cityline is being relaunched next week as a BT Cityline premium service. It will have an expanded range of market reports, up-to-date share prices and a new ability to value share portfolios.

Martin Brooks, director of information services at Financial Times Business Information's Jermyn Street offices, says stockbrokers have been complaining that for every dealing instruction they receive, they get six calls asking only for share prices. The third is an extension of the second, allowing the caller to value portfolios of up to 20 shareholdings in real time. Callers will need multi-fre-

quency telephones - the type that makes varying tones when different numbers are pressed, and which can access information from computers. MF handsets tend to be installed in offices rather than homes; they are, however, available for about £30 - or, says FTBI, a keypad tone generator can be had for under £20.

The service number is 0898-123456. All calls are charged at 38p per minute (peak and standard rate) and 25p per minute (cheap rate), including VAT. The FT will get a share of this revenue.

WC

This advertisement does not constitute an offer or invitation to subscribe for any shares.

BUSINESS EXPANSION SCHEME OFFER

INTERNATIONAL FINANCIAL STRATEGIES PLC

an existing business with an established client base, providing training and advice to companies active in international markets seeking to manage their foreign exchange and interest rate exposure.

- An opportunity to invest in a service industry with prospective high return on capital and good cash flow.
- Full-time experienced management have demonstrated their commitment by giving up existing jobs.
- Chairman Brian Emmerson - former finance director of The Stock Exchange.
- £235,000 investment by the Directors.
- Intended exit in the form of anticipated flotation.
- Minimum subscription underwritten or irrevocably committed.

WHY INVEST NOW? BECAUSE GOOD MANAGEMENT TEAMS DON'T ALWAYS WAIT UNTIL 5TH APRIL 1988.

SPONSORED BY

CHANCERY SECURITIES PLC



TO: CHANCERY SECURITIES PLC
14 FITZARDINGE STREET MANCHESTER SQUARE LONDON W1H 9PL
TELEPHONE: 01-635 8101 (24 hours) OR 01-486 7171

Please send me a copy of the International Financial Strategies PLC prospectus.

NAME

(Block capitals please)

ADDRESS

POST CODE

FT

BEST INCOME TAX RELIEF WHEN YOU INVEST AND NO CAPITAL GAINS TAX WHEN YOU SELL AFTER FIVE YEARS

more

That's the short word for it.

Following our acquisition of Oppenheimer, Gartmore becomes one of the largest and most formidable independent investment companies in the United Kingdom, offering even more in expertise, performance and innovation in our product range.

We have incorporated the talents and resources of the Oppenheimer fund managers into the Gartmore team, enabling us to offer investors one of the most comprehensive range of investment products - 30 UK Authorised Unit Trusts.

The highly successful Oppenheimer unit trusts have been added to the Gartmore range, providing even more investor choice. A number of these trusts have been renamed to reflect finely tuned adjustments to their investment policy.

We've called them 'Selected Opportunities', and they concentrate on particular investment sectors or geographical areas. These trusts aim to produce superior long term capital growth, although the potentially higher reward is balanced by correspondingly greater volatility.

'Selected Opportunities' trusts now enhance our existing range of 'broader spread' trusts. Today, the breadth of the Gartmore product spectrum allows investors and their advisers to select funds which meet individual investment requirements. More choice means more investment opportunities.

Added to that, we have the advantage of more locations. Wherever one of the world's major markets is open for business, Gartmore people are there taking care of our investors' interests on the spot.

There's only one thing that hasn't changed. That's our commitment to accessible, personal service.

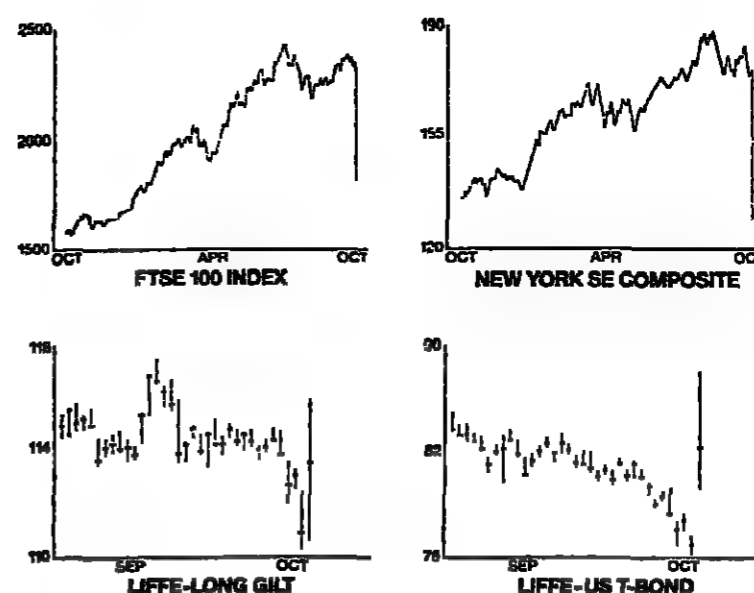
At the risk of being repetitive, you should find out more. Contact your financial adviser or call our Investor Services Department FREE on 0800 289 336.

Gartmore

Gartmore Fund Managers Limited - Gartmore Trust Management Limited, Gartmore House, P.O. Box 65, 16-18 Monument Street, London EC3R 8QQ. Tel: 01-623 1212.

PHILLIPS & DREW

Were your funds protected?



If your company would like to receive a free copy of our Risk Management package, call Chris Graham on 01-628 4444 or return the coupon.

To: JCM Graham, Phillips & Drew Futures Ltd,
120 Moorgate, London EC2M 6XP. Telephone: 01-628 4444.
Please send me your: ☐ Risk Management Package
☐ Introduction to Futures and Options

Name

Company

Address

Tel:

Phillips & Drew Futures Limited.

A MEMBER OF THE UNION BANK OF SWITZERLAND GROUP

Specialists in Portfolio Insurance.

NOW IS THE TIME FOR YOU TO OPEN A US BANK ACCOUNT

Bell Savings Bank of Philadelphia has been serving many thousands of satisfied depositors in the USA for more than 60 years, offering traditionally high US Dollar interest rates and quick efficient service on deposits and withdrawals. The same benefits are now offered to international depositors desiring U.S. Dollar accounts.

SAFE - EASY - HIGH INTEREST RATES

Fully insured up to \$100,000 per person by the Federal Savings and Loan Insurance Corporation a US Government Agency.

We offer a variety of accounts with MANY ADVANTAGES to suit the needs of the individual investor, the business and the holiday traveller.

MINIMUM OPENING DEPOSIT ONLY \$500

Additional deposits accepted in any amount.

- * No currency conversion charges
- * Interest paid gross, FREE of US withholding tax for non-US residents and citizens.
- * Confidentiality guaranteed under US law in all matters relating to your account.
- * TOLL-FREE Telephone between UK and USA for account holders.

Deposits made with the offices of Bell Savings Bank in the USA are not covered by the deposit protection scheme under the UK Banking Act 1979.



BELL SAVINGS BANK P.A.

15th & John F. Kennedy Boulevard, Philadelphia, Pennsylvania, 19102, USA. Bell Savings Bank has its principal place of business in the USA. We offer a full range of banking services.

Paid up capital and reserves in excess of \$46,000,000.

For full information please write to Bell Savings Bank Representative Office at FREEPOST, Dept W, The Grove, Starrock Lane, Coulsdon, Surrey CR3 9UU or phone 01-460 4354.

Please send me Bell Savings Bank brochures.

Name _____

Address _____

Agents' taxing task



IF AN expatriate retains a source of income in the UK, the balance of probability is that it will arise from property letting. In this instance, your non-residence provides no immunity from UK tax, but even so, you may be surprised at the speed with which the long arm of the Inland Revenue makes itself felt.

The UK Government, conscious that expatriates are largely beyond the reach of British revenue laws, has given Inspectors of Taxes special powers to ensure the recovery of any tax due with as little problem as possible. Unfortunately, this has resulted in the employment of a somewhat blunt instrument.

If, as most expatriates do, you use the services of an agent, it is important to realise that Section 78 of the Taxes Management Act makes him personally responsible for any tax payable whether or not he has funds in hand at the time. Naturally agents endeavour to protect themselves from such an uncomfortable situation by utilising their statutory authority to make retentions from the rents they collect. Unfortunately this is prone to generate client hostility, much of which is unjustified.

However, that hostility is sometimes well justified, for example in the case of agents who insist on retaining tax at 27 per cent of the rent, even though they have themselves paid certain expenses which they know to be deductible for tax purposes, or agents who refuse to pay the client interest on the retentions they have made. If you have such an agent, you should waste no time in making alternative arrangements. You do not want your funds tied up doing nothing for months, either in the hands of your agent or the Inland Revenue. Excessive tax paid on January 1 may take a year or more to recover.

On the other hand, it is entirely reasonable that your agent should have protection against the proper demands of the Inland Revenue. In practice, it is nearly always possible to negotiate arrangements satisfactory to both parties.

You should certainly not accept anything more burdensome than deduction of tax at 27 per cent of the rent, less expenses paid away. But even this may be unsatisfactory if there are outgoings which you meet yourself (such as mortgage interest) and of which your agent is unaware. Nor can he

adjust for your accountant's fees, the 10 per cent wear and tear allowance (for furnished lettings) or the fact that your wife, a co-owner, may remain a UK resident. This last point alone could halve the tax payable.

Special arrangements might be possible in relation to all of these things. For example, if you can give your agent evidence of the mortgage interest payable for the year, he may be willing to reduce his retention accordingly and similarly if your wife remains a UK tax resident.

Agents will often feel more secure in seeing such matters if the determination of the tax assessments are in the hands of an expatriate specialist. Indeed, in such cases the agent may be willing to restrict his retentions to the specialist's estimate of the liability. But complete trust is necessary, for if a mistake is made and the retention is too small, it is the agent who has to find the tax.

At the same, unless the retention involves only a small amount, you should expect to receive the benefit of interest on it. In this regard it is important that even though you are a non-resident your agent is permitted to pay the interest gross, provided that the retention is not obviously excessive and he has power to draw on it only to pay tax liabilities (ie you are not using him as a banker).

If you are a non-resident Crown servant or pensioner, all of these problems will pass you by as your agent will be released from his statutory obligations. The theory behind this concession appears to be that since your salary or pension arises in the UK, deductions can if necessary be made from it to recover any tax you fail to pay on your letting profits. But this treatment does not appear to extend to commercial pensioners.

However, should you be one of the minority of expatriate landlords who let direct to a tenant, you have no room for manoeuvre at all. In these circumstances, the law requires your tenant to deduct tax of 27 per cent from the gross rents and to pay it over to them immediately. You are then left to claim relief for your expenses after the end of the tax year concerned. It has to be said that tenants often fail to make such deductions through ignorance of their responsibilities.

Donald Ekins is a director of Wilfred T Fry of Worthing.

John Edwards finds 'chain store' stockbroking is a growing success Shopping for a shares bargain

HOW DID the British public react to the stock market crash? With great fortitude, according to the experience of the London share shops.

There was a lot of selling on day one (October 19 - Black Monday), according to Matthew Orr, director of Debenhams Investment Services. "But after that the main interest was in buying. Before Black Monday, share dealing from customers was in the ratio of 60 per cent sales and 40 per cent purchases. Then it turned round to 80 per cent purchases and 20 per cent sales."

Instead of being scared off by the crash, customers at the Debenhams share shop stepped up dealings. Trading turnover rose substantially. It seems clients viewed the 80 per cent drop in stock market values as an opportunity to buy at "reasonable" prices, shares which they previously could not afford, according to Orr.

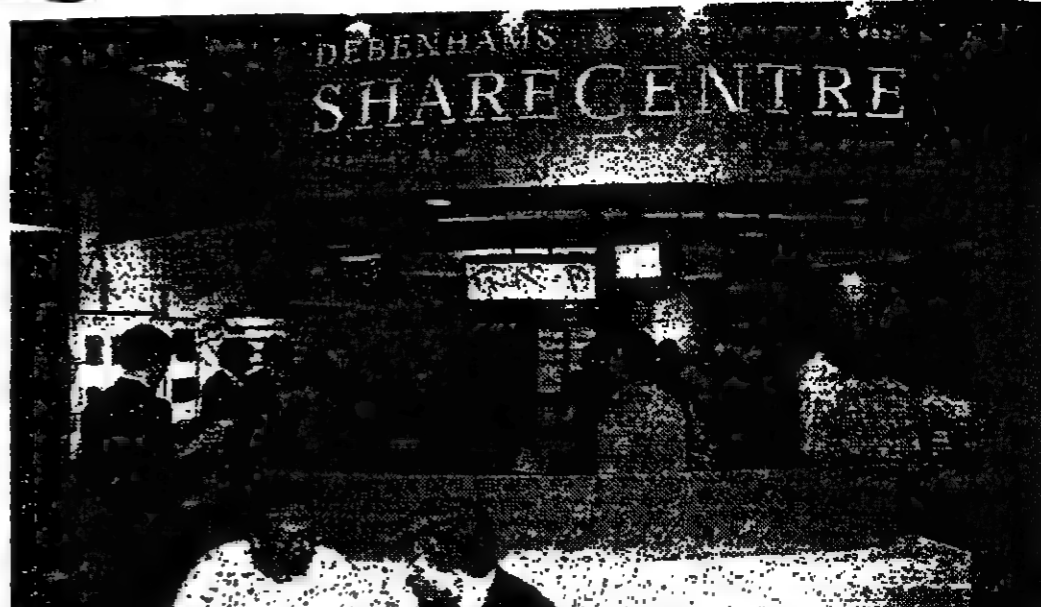
He feels the crash was useful in bringing home to customers the fact that shares really can go down as well as up. Before October 19 everyone made money without really understanding the stock market. Now they realise that a risk exists and this is a great advance in investor education, he says.

Orr believes that the crash will have little effect on the drive towards wider share ownership and the popularity of share shops. Debenhams is going ahead with plans to open another share shop at the Harvey Nichols London department store on December 14 as part of a longer-term plan to have share centres in some 30 to 40 of the group's stores throughout Britain.

They are flavoured by the Burton group as a separate profit centre since the bulk of share shop clients are male and not the normal Debenhams shopper. The group's two existing share shops (in London and Bristol) offer information, advice, and provide facilities to deal on the spot. Share dealing commission rates charged are 1.65 per cent of the value, with a minimum of £22, so below £1,333 you are paying a higher percentage. In fact the average trade is £1,500.

However, to promote the idea of an accessible stockbroker to an even wider public, Debenhams has also launched the Teletrade service, which enables you not only to deal by telephone but also to receive some basic information and advice.

You pay a registration fee of £10 and are then given a card and an account number, which enables you to deal by telephone up to your agreed trading limit.



The dealer at the other end of the phone has two screens: one to check your risk profile based on information and credit references provided; the other providing market information and current share prices.

You are charged the same dealing rate of 1.65 per cent. Contract notes are sent out within 24 hours. But if you fail to pay your account on the due settlement date, you face paying interest at eight per cent above the current Libor (London Interbank Offered Rate).

So far there are some 4,000 Teletrade card holders, but Orr believes there is scope for considerable expansion for share trading outside the traditional stockbroker clientele. He claims that many people are put off by pin stripes but are attracted by the Debenhams approach, where "losing your shirt" acquires a new meaning.

Down the road in Oxford Street, Quilter Goodison (who founded the Debenhams share shops in London and Bristol some two years) has now opened in Selfridges instead. Quilter Goodison and Debenhams parted company earlier this year when they were unable to agree about the future direction of the share shops.

Dr Honeybourne, chief executive of Quilter Goodison, said the firm was seeking to appeal to a different market sector and was not interested in a joint venture proposed by the Burton group. It decided to go it alone and seek other money centre locations, which it still sees as a growth area for stockbroking.

In spite of the different approach, Dr Honeybourne reported a similar reaction from the public to the stock market crash. There had been little selling, but increased dealing activity initially with buyers keen to pick up shares at what were

viewed as bargain prices. Now the majority are adopting a wait and see policy, holding on to their shares. At Selfridges, Quilter Goodison has a slightly higher minimum charge of £25, with dealing commission of 1.65 per cent.

THE BEST BUILDING SOCIETY INVESTMENTS

Building Societies are now, more than ever, the outstanding risk-free investments for investors. But there are over 1,000 building society investments, and the interest rates vary considerably. To ensure that you do not miss out on any bargains, get the December issue of MONEY OBSERVER which contains an expanded guide to which interest and mortgage rates are on every building society account.

The December issue of Money Observer is now available at leading newsagents for just £1.95. But an even better bargain is an annual subscription to Britain's fastest growing and best selling investment monthly. This costs just £19.50 (£29.50 Airspeed Overseas).

- You will also get two FREE gifts:
- * The way in to Unit Trusts, a 60-page guide.
 - * A free entry, worth £2, to the Investor of the Year competition with cash prizes worth £15,000.

To: Money Observer, Freeport Micham, Surrey CR4 9AR.

MONEY Please take out a subscription to start with the December issue. I claim my free gift & enclose a cheque for £...

Name (CAPITALS ONLY) _____

Address _____

The Monthly Magazine for Discerning Investors

ACHIEVEMENTS THAT SATISFY THE THIRST FOR PROGRESS.

Great projects are planned for the world of tomorrow. Solutions for these are being provided today in the great achievements of Saipem.

Solutions like the aqueduct which carries water across miles of mountains and deserts to bring new life to the land in Assir in Saudi Arabia.

A demonstration of the technological experience and skill that are hallmarks of Saipem around the world. Offshore platforms, pipelines, civil engineering undertakings, power and chemical plants - all are projects that bring progress, more jobs and a better quality of life.

That's Saipem: a leader in growth for Italy both at home and abroad.

Saipem
ENIGROUP

The people, the skill, the equipment.

COLLECTING

Time to join the fan club

FANS HAVE a 3,000-year history and are still enjoying much attention. Major exhibitions have been mounted this year in Geneva and Munich and another is being planned in Boston. The market is sufficiently buoyant for Christie's South Kensington to hold four large specialist sales a year. Membership of the Fan Club International is up to 400.

Two years ago the Fitzwilliam Museum in Cambridge purchased the Messel-Rosse fan collection with the help of the National Heritage Memorial Fund. Some 173 Royal fans toured the country, and the Museum of London was one of a number of institutions to display its fans for the first time.

As soon as one project comes to fruition it seems that another is underway. In September Princess Margaret opened the Great Britain-Saskatchewan Foundation Fan Gallery at the Fitzwilliam, created to house the Messel-Rosse fans and believed to be the first permanent fan gallery in Europe. It was also the day that

The Fan Museum Trust revealed its plans to establish the world's first international centre devoted to the recording, promotion and study of fans, in Greenwich, South London.

The scheme is the brainchild of Helene Alexander, a fan expert and collector for more than 30 years, and the trust's president. Her collection, comprising over 1,000 fans and fan leaves - dating from 1637 - and archive material, the largest and most comprehensive collection of its kind, will form the basis of the museum's holdings.

Two handsome early Georgian townhouses were found in Crooms Hill, in the heart of tourists' Greenwich, and bought for the Trust, a registered charity, by the Victor Adda Foundation. Work is already underway on the restoration and lateral conversion of the Listed Grade II build-

ings, thanks to a grant from English Heritage. Their doors are expected to open to the public in spring 1989.

By providing a comprehensive reference library and archive, and a new means of studying fans that will do them least damage, the museum aims to overcome the problems that have always hindered fan scholarship. The fan collection is to be put on microfiche and examples selected for study will be handed to the visitor in an ingenious double-sided plexiglass case, invented - inexplicably - by a Swiss gynaecologist, Dr Elise Volet. (The trust also owns the copyright to his nest fan stand.)

At least three thematic exhibitions a year are planned, supplemented by loans, as is a permanent display showing how fans were made. A separate crafts workshop will demonstrate fan-

making to the public - and help to revive a dying art.

Fans Ltd, a business owned by the trust, is already producing one-off commissioned fans, a traditional gift to dignitaries, limited editions of commemorative fans (a pilot scheme marking the marriage of the Duke and Duchess of York proved extremely successful) and promotional paper fans. It will also manage the museum shop, selling cards, fan-related objects and museum publications (Helene Alexander is currently working on a directory of fans in museum and historic house collections in Great Britain).

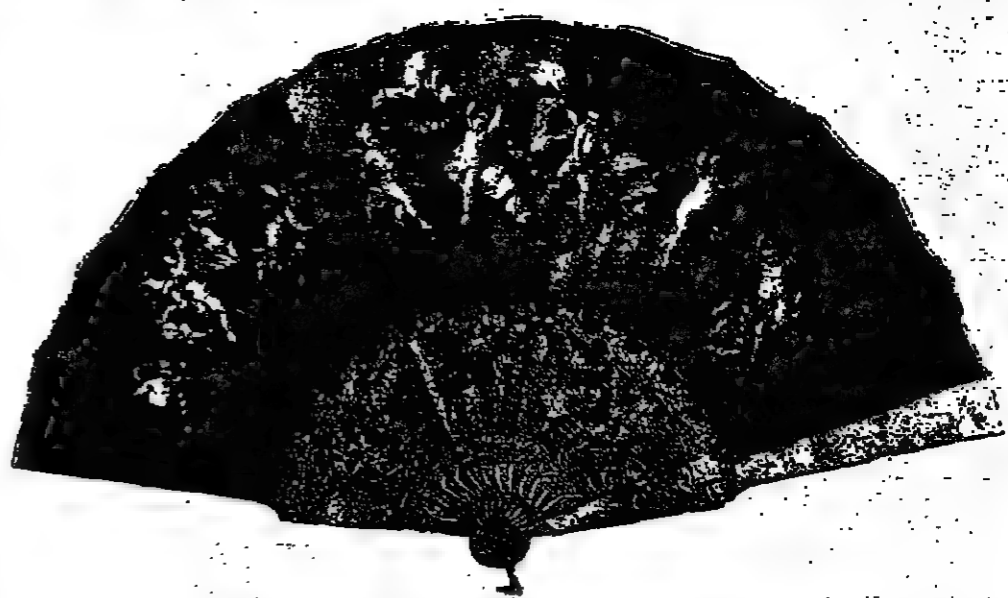
The trustees intend the museum to be self-supporting. They believe the annual running costs will be met by admittance charges, the museum Friends, profits from Fans Ltd, the lease of the two maisonettes being

converted at the top of the five-storey museum building, and the hire of the Orangery and garden (fan-shaped, of course) for private parties.

It is an enterprising project that has already attracted support from a wide range of corporate and private donors and charities - and a distinguished cast of committee members. Requests and gifts will swell the collection further. Some 1,000 fans have been promised to the museum to date from an American collector, and the intriguing left-overs of the Parisian fan-makers Henriette Tempier stand in a box in the museum office - unmade sticks, paper templates, sets of ribs for different materials, rivets, loops, fan pleaters and unpleated leaves.

Some £1m of the capital cost of the project has been raised, but a further £800,000 is still needed. For details contact: The Fan Museum Trust, 6 Tumpkin Lane, Greenwich, London SE10. Tel: 01-305 1441.

Susan Moore



A very fine Alexandre fan signed E Parmentier, made for a member of the Spanish Royal family c 1860 with finely carved and gilded mother of pearl

Norman Adams
P.O. Box 100
High Wycombe, Bucks HP12 3JH
Tel: 0494 525252
Fax: 0494 525252

A fine Hepplewhite period
serpentine mahogany Pembroke table circa 1780.

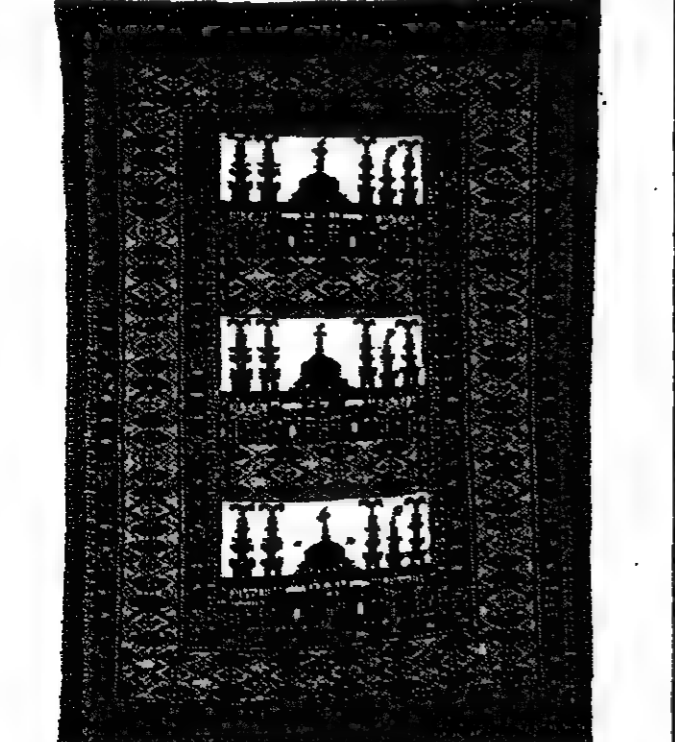
Width 55 ins (141 cm)
Depth 30 ins (76 cm)
Height 29 ins (74 cm)

1988 catalogue of recent
acquisitions £5 (quote F.T.)

Duncan R. Miller Fine Arts

A private gallery
specialising in
exemplary works by
20th Century Scottish
Masters and in
particular
Scottish Colourists
John Duncan
Ferguson RBA
1874-1961
"Rue Notre Dame
Des Champs"
Signed and inscribed
"Paris 1907" Verso
Size 14" by 11".
Exhibited:
J.D. Ferguson
Memorial Exhibition
1961/62
We wish to buy works of merit by all Scottish artists
from 1880 to the present day.
11 Wedderburn Road, London NW3
Tel: 01-435 5462. By Appointment

PORTLAND GALLERY
specialises in
PEPLOE/CADELL
and other Scottish artists from 1880-1950. We
have a good stock from this period and are
keen to both buy and sell.
Phone 01-221 0294
2 Holland Park Terrace,
Portland Road, W11.



Choosing an Oriental rug - comparing styles and techniques - is a rewarding experience in itself. But the purchase of an item of such beauty is a truly rare pleasure.

At Duval we have literally thousands of hand-knotted Oriental carpets. Our location - well away from the West End; and our experience - over 50 years, enable us to price our rugs well below market prices. We have rugs from as little as £40 and we value and buy old carpets.

VISIT OUR SUPER WINTER SALE

Massive reductions throughout the store including:

Pakistan Bokhara (Rose hand-knotted)	10' x 7'	£725
Fine Shirvan (red geometric)	19' x 13'	£5,450
Singliang (Chinese) runner	10' 2" x 2' 4"	£240
Milise (Turkish) geometric	9' 11" x 6' 2"	£525
Pakistan Caucasian design	6' 6" x 4' 3"	£255
Super washed Chinese Aubusson	20' x 10'	£3,250

DUVAL CARPET CO. LTD.
68-70 Leonard St. London EC2. Tel 01-739 7596

OPENING TIMES
MONDAY - THURSDAY
9.30AM - 5PM
FRIDAY 9.30AM - 5.30PM
(Closed Saturdays)
SUNDAY
10.30AM - 3.30PM
All major credit cards accepted

NEXT TUESDAY Sotheby's holds its best sale of Japanese prints for many a year. Apart from the quality of the works on offer there is the added piquancy of the origin of the most important group of 33 lots - they come from the collection of the British Rail Pension Fund.

With staggering boldness, and unrivalled imagination, the pension fund was about the only significant corporate institution to take a chance on art during the economic turmoil of the mid 1970s when a collapsing Stock Market and rampant inflation questioned the appeal of traditional investments. The fund spent £40m on art, only a tiny percentage of its resources but enough to draw upon it the opprobrium of the more conservative elements in business and labour.

Art was too risky; there were no dividends to be enjoyed; the role of Sotheby's as both adviser and (often) source of the acquisitions was unethical; the declining years of retired engine drivers were under threat from this misguided obsession with high falutin' art.

This year the fund has started to sell, with mixed results. In the summer its Old Master Prints went under the hammer at Sotheby's (the one clear-cut beneficiary from the experiment), and sold for £2m. It is virtually impossible to make direct comparisons with alternative investment opportunities but the general consensus was that with an annual appreciation of 8 per cent a year, the fund had not done too badly.

Then last month a Stubbs sporting picture was offered at Sotheby's and failed to find a buyer. It had been bought in 1976 for £60,000, but was unsold when a disappointing £100,000 was the best bid in the room:

Antony Thorncroft previews an exciting sale of Japanese prints

British Rail seeks fair return



The Coast of Seven Leagues in Sagami Province by Katsushika Hokusai

obviously, to date, it has proved a bad buy. But a day later the fund's silver, acquired for £250,000, sold for almost £1.2m, showing a very respectable profit indeed.

When you consider that the fund decided to sell at a time when the Stock Exchange, and the art market, was in a euphoric state but the works have actually started to appear

in the auction room after the October crash, experiences so far have been rather encouraging. And so to the prints.

They should do well. After all the saviours of the art market in recent weeks have been the Japanese with their mighty yen surely they collect their own prints. Well, yes. Up to 70 per cent of the British Rail collection is expected to return to Japan.

but prints, rather like netsuke, do not have such a grand art reputation in Japan as they have enjoyed for over a century in the west.

In Europe, when they began to appear in the late 19th century, they proved an inspiration for the impressionists, but at that time the Japanese were using prints as wrapping paper on the export of pots. They had been

bought in the 18th and 19th centuries by the merchant classes, who did not aspire to lordly artifacts, and they have rarely been treated as high art. But now the Japanese are well aware that in the west and are keen to reappropriate them.

The most important lot is one of the very rare (only one other is known) complete collections of Hokusai's "The Thirty Six Views of Fuji" which includes perhaps the most famous Japanese image known in the west, the print of "The great wave of Kanagawa", which inspired Debussy to write "La Mer".

The album includes five prints from a later series and is in a 19th century binding. The high estimate is £380,000, which should be topped. The pension fund paid \$175,884 for the album in Paris eight years ago this month, which does not suggest that it has proved a great investment. This has been a sector of the market which has progressed slowly upwards: the Japanese have concentrated on bidding wildly for European art treasures rather than their own history. There is a sad chance that the buyer of "Fuji" will take the easy option and split up the album, selling the prints individually for up to £20,000, and more, for the most popular.

Most of the great names of Japanese print making are among the British Rail lots: Harunobu, working in the mid 18th century and portrayer of winsome young girls, is well represented, most notably by "Plum blossoms at night", showing a girl holding up a lamp to a plum tree. It carries a \$50,000 top estimate (the fund bought it for \$60,000 in New York in 1979). Utamaro, whose prints are likely to portray courtesans and ladies of the demi-monde, is there, with a famous portrait of Ohisa, a tea shop waitress, expected to top \$65,000 (as against the \$35,000 purchase price in New York in 1975).

A more intriguing artist is Sharaku who apparently appeared from nowhere in 1796 produced around 200 prints of famous actors of the day, and then disappeared. Two of his prints are on offer. One, which cost the fund \$35,000 in 1975, has a \$55,000 top estimate while the other, depicting an actor playing a female role (the custom of the day) should fetch \$55,000 compared with \$26,400 in 1980. There are also prints by Hokusai's great successor in the later 19th century, Hiroshige.

The British Rail Pension Fund is looking for up to \$1m from this auction, and should make comfortably more, given the quality of the prints in its collection. It will not represent an amazing profit, perhaps not even an adequate investment return, but that is not to be expected from this academic, intellectually satisfying, but rather sedate sector of the art market. Its attraction is that the tradition lives: the auction includes prints produced in the last thirty years in Japan which can be bought for fairly modest prices. And not so modest. Prints by Munakata more abrasive than traditional Japanese work, now cost over \$5,000. Perhaps a better buy is a drawing by Hokusai of a gamecock. It is very rare, but its likely price of up to \$15,000 makes it cheaper than some of his prints.

RICHARD GREEN
4 New Bond St. London W1Y 9PE
Tel: 01-493 3939 Telex: 25794 Green G
New York 515-583 2060

XIX & XX Century European Paintings
Including works by:
Auguste Rodin, Eugene Delacroix, Maurice Biais, Maurice Dore, Jules Poincy, Henri Poincy, Jean Leon Gerome, Jean-Baptiste-Armand Galle, Paul Cezanne, Henri Matisse, Albert Lebourg, Henri Le Sidaner, Louis Auguste Herbin, Gustave Lecomte, Maximilien Luce, Henri Martin, Berthe Morisot, Jean Francois Raffalli, Hans Andersen Brendekilde, Peter Seivold Kroger, Sigvard Hammar, Carl Vilhelm Holten, Peder Munch

Illustrated catalogue £10 including postage

FROST & REED LTD
AN EXHIBITION OF BRITISH WATERCOLOURS
19th November - 24th December

David Roberts R.A. Modinet-About, Thebes 12 1/2 x 18 1/2 inches
Catalogue Available
41 New Bond St., London W1Y 0JJ 01-629 2457

Oliver Swann Galleries
117a-119 Walton Street, London SW3 2HP.
Telephone: 01-581 4229
Specialists in Marine oil paintings, watercolours and etchings

Endeavour Racing Velschda off the Needles 1934 After J. Seven Down.
Open Monday to Friday: 10-6 pm or later by appointment
Saturdays: 11-3 pm

Also at 170 Walton Street:
Exhibitions of Selected Contemporary Artists

FIRST IMPRESSIONS COUNT

For over two centuries the name Christie's has been famous for the sale of great paintings at auction. Today we generate more interest than ever in our sales and our name is a powerful attraction for collectors, dealers and museums around the world, as well as the general public.

The sale of van Gogh's "Sunflowers" this year for the exceptional price of £24,750,000 served to confirm our expertise in marketing world art and our standing in the international art market.

What you may not be aware of is that we sell works of art of every kind in our London salerooms. Old master and modern paintings, sculpture, drawings, watercolours and prints, furniture, glass and clocks, jewellery and silver, ceramics and china. In fact there are few things we do not sell.

If you are interested in buying or selling at auction, it will always pay you to consult Christie's first. For further information please telephone Richard Bishop on 01-839 2746 or send for a free copy of our brochure "Buying and Selling at Christie's".

DIVERSIONS

Lucia van der Post rounds off her seasonal gift suggestions

IN LAST week's cast of fictional characters, we had to leave out Caroline. Dear Caroline, there are many like her about; so here, for all those with a Caroline in their lives, are some suggestions on how to make her happy on Christmas Day.

Caroline is 22 and has just got a job in a small PR agency where she hopes to move quite soon onto higher things. For the moment she is quite frugal and very rushed and she is chronically short of both time and money. She's sharing a flat with a gang of friends who tend to leave everything in the most awful mess so she isn't yet in a home-making mood.

What Caroline wants most for Christmas are all the little things she can't really afford to buy herself but that make such a difference to a girl who likes to look good in and out of the office.

She loves old jewellery but can't afford it so you could get her some of the marvellous inexpensive copies that even the chain-stores are doing these days. Look in at Richards for Art Deco copies that look for all the world as if they are made of jet and marcasite. Earrings and brooches are about \$4.99 each.

Laura Ashley currently has exactly the sort of things that Caroline would love: more paste and marcasite lookalikes - a bow-brooch at \$19.95 or dangling earrings at \$16.95. She'd love the black embroidered velvet pumps - \$39.95 or \$44.95 with heels - or the navy or black felt fur muffs at \$39.95.

Another jewellery shop worth hunting round is Kristal at 22 South Molton Street, London W1 where the new look of what Caroline assures me are called "waterfalls" (i.e. cascades) are on sale. Not cheap at about \$80 a necklace but currently they are all the rage.

If there's a generous god-mother around then she might like to know that Caroline has been eyeing the black wool body by Nicole Farhi for some time. It's just what she needs to wear with her latest short skirts but at \$74.50 it's rather beyond her budget.

She's also had her eye on a fake Astrakhan hat, all moody Slav style, at The Hat Shop, Gees Court, London W1. It would be just what she needs to wear with our last little more, shall we say, a la mode. Back in fashion too are old-fashioned silk



Caroline

Although she isn't terribly house-conscious (just wait until she's got a mortgage all of her own) she could do with some decent lighting and a proper Hollywood style studio lamp has all the attributes she likes - sharp, a bit witty, not too cosy, it would fit the bill. \$11.99 from House of Fraser stores.

She could do with a decent vase because flowers in her room do cheer her up - so go hunting in The Conran Shop's newest vase department or, if you're feeling the pinch, keep your taste buds on full alert and scour the household department at the gradually-being-consumed BHs stores (all those speckles that used to be the exclusive preserve of more upmarket emporia are emerging there).

Thick thighs are still very much what the young set are wearing so a selection in today's studgy colours (above all, don't forget the tobacco brown) would go down a treat. Branches of the Sock Shop are the place to look.

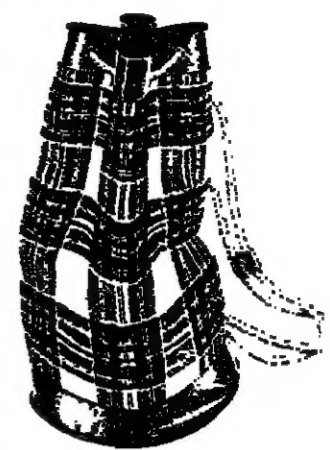
More shops that Caroline likes and that you could scour for those extras that somehow seem to make Christmas include the Body Shop, Paperchase (for especially elegant stationery), and The Candle Shop in the Covent Garden Market (Caroline does like things that smell nice and a sweet scented candle would do nicely). She is also very fond of Guilper and loves its pure white soap but would think it too extravagant to buy it for herself at \$1.75 for a box bar of bath soap.

Caroline can never afford the sort of scent she really likes so if you can run to it give her the largest bottle you can afford. Her current favourite is Krizia's Teatro alla Scala - not cheap at \$30 for the perfume, \$18 for a hand-

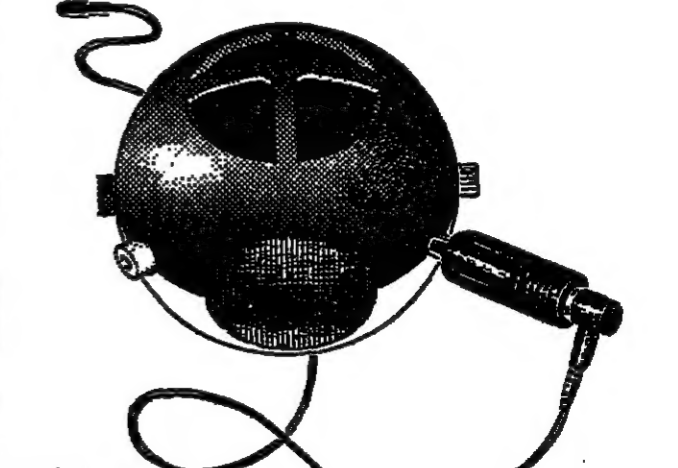
bag spray of Eau de Toilette and \$18 for the eau de Parfum. Find it in good perfume departments like those in Harrods and Selfridges department stores.

Caroline's skin hasn't quite settled down yet so a dotting mother might give her a proper facial at the new Decleor salon at The Peak, Hyatt Carlton Towers, Cadogan Place, London SW1. A cleoderm facial would be just the thing for her - a thorough clean, followed by gentle massaging with essential oils that help balance her skin, would cost \$25.

Tartan duffle bag, \$14.99 from the Covent Garden General Store, London WC2 - open on Sundays



Tiny radio, FM and AM, shaped like a miniature diving bell, in red, yellow and blue, \$24.95, from Liberty of Regent Street, London W1.



Richards shops have lots of cheap jewellery. "Jet" and "marquise" brooch \$4.99 (matching earrings too)



Very effective "gold" fabric torque - lots of glamour for \$5.99 from Zig-Zag (which has lots more posh jewellery at very low prices). Branches at 104 Strand, London WC2, 11 The Arcade, Liverpool Street, EC2 and Waterloo Station.

Other beautiful hand-crafted wooden toys come from Robert Longstaff Toys, Orchard View, Abingdon Road, Longworth, near Abingdon, Oxfordshire, phone 0865 680200.

A small but delightful collection of proper Irish toys can be found at the Irish Shop, 11, Duke Street, off Wigmore Street, London W1. In particular there are some of those lovely wooden puzzles that very young children love to play with but that are attractive enough in their own right to work as pictures or sculptures. Humpty Dumpty and the tree sketched here, \$9.95 each, are among the most desirable. Also look out for a sweet little bunny rabbit with shamrocks (\$14.50).

Naturally British, 15 New Row, Covent Garden, London WC2, always has some lovely toys, from soft dolls, teddy bears and other animals, to finely crafted wooden toys. There's a hand-made wooden rocking horse, little pottery animals and lots more presents for children big and small.

The Endell Street Place, Covent Garden, London WC2, has a mail order catalogue - you will have to be quick now (telephone 01-240 1069) - but it is a treasure trove of attractive presents for all ages. Penny Howe is working there as a resident craftsman making exquisite dolls, each of which is dressed according to the wishes of the customer, usually in period costumes going back as far as 200 years.

Look out, too, for Danny Morrell's hand-made wooden toys: hopping hippo road hogs, skateboarding owls and a road-running rat. Some of the traditional lead soldiers, all cast from 19th century moulds and hand-painted in realistic detail, might appeal more grown-up children; from about \$5 a figure. You can also order one of Tony and Marc Stevenson's hand-made traditional rocking horses if you're feeling lavish.

Finally, of course, a carefully collected selection of antique toys can be always be found at the Design Centre Shop in the Haymarket, London SW1.

thetically edited collections of toys, books and other devices to please the children.

The new Conran Shop at 81 Fulham Road, London SW3, has a charming children's and babies department, filled with old-fashioned classics that children do still love - lots of the new adorable soft Barbie-based toys from France, the whole wooden toys, and some wonderfully bendy ones from Germany.



Shiny black plastic handbag with working clock, \$39.95 from Liberty, London W1.

are the characters) and the Playmobil stable and knights in armour.

Top toys this Christmas, according to Zeddie, the toyshop chain, are, in order of popularity:

- Trivial Pursuits (\$21.99, still a good present for any family without it).
- Question of Sport (\$19.99, somewhat similar, but with supporting questions).
- Blockbusters (\$11.99).
- East End Market (a set of market stalls, hamburgers et al, \$29.99).
- A la Carte Kitchen (\$22.99).
- Barbie Jewel Secrets (\$8.99).
- Cindy Ballet Dancer (\$6.99).
- Sylvanian Country Cottage (\$10.99).

• Pictionary, a new board game which you play rather like charades, only on paper; they say you don't have to be an artist but it sounds to me as if it might help. \$19.99.

• Rolling in at number 10 comes the charmingly named Bed Bugs - a board game in which you have to get the bugs into the bed, all yours for \$6.49.

One or more of these are likely to be on every child's Christmas list. If, however, you can't quite bring yourself to spend your hard-earned money on what is basically a distinctly unattractive collection (the Julie horses are an honourable exception), you might like to try some more serious



Lucia van der Post

son. Also Action Force, Star Wars, He Man, Karate Kid, Transformers. After Shave - must be La Cost (sic), a Head Racket Bag and a portable colour TV Set.

Childhood, as you can see, isn't what it was. Even the more modest list, like that of the seven-year-old son of a colleague, show an astonishing sophistication.

Not content with just making out the list, he had done his homework and included prices and the cheapest stockist he had found (almost always Argos).

He wants a Rhino Mask Lorry (\$24), Action Force "skyscraper", the white plane at \$20, and the Dragonfly Assault-copter at \$14 and finally the Super Football by Tomy (\$14.95).

Little girls, it seems, are little more reassuringly like they always were (Julie horses from the Julie Horse Shop, 18 Beauchamp Place, London SW3, much beloved by my daughter in her horsey phrase, are still

champions for horse-mad little girls). Other successes of more recent years - My Little Pony, Barbie and Cindy accessories - still rule high.

The list of one seven-year-old of my acquaintance reads: Julie horses, rider, bridges, saddles, halber, showjumps (her mother comments: "So, it's a penny for the My Little Pony, a Barbie horse, an Alarm Clock and a Filofax (vetted as being a waste of money for a seven-year-old; an address book/diary will have to do).

After a visit to Harrods toy department she decided that the Sylvanian Family, \$10.99 (a cottage filled with small woodland creatures of which the moles in particular seem particularly popular, with all with the inevitable clothes, house, furniture etc) would be welcome on Christmas morning. So would Mapletown (same idea, only this time bears



Georgian dolls house by Robert Longstaff Toys; at the Conran Shop, 81 Fulham Road, and Peter Jones, Sloane Square, both London SW3; and Doddermanns Traditional Toys of Norwich, as well as from the manufacturer

Make your wife happier by chatting up another woman.

MARY
01-734 7070

To make your wife deliciously happy this Christmas we suggest you secretly phone Mary Kavanagh our Shopping Advisor. Whisper softly into her ear what you want gifts for, how much you want to spend and where you want them sent. She'll personally select from our fantastic range of fashion clothes and accessories, the perfect gift for your loved one.

Simply quote your FraserCard number, or other major credit cards or send a cheque.

She'll even gift wrap your present, insert a card and post it in time for Christmas. All you need to do is sit back and wait for the appreciation.

DICKINS & JONES
REGENT STREET, W1 - 01-734 7070



Partridge in a pear tree wooden puzzle, \$9.50, from The Irish shop, 11 Duke Street, London W1

Just what the TV commercials ordered

IF YOU have children you will hardly need me to tell you what to give them. From all sides I hear the cry that television has conditioned them to such a degree that all they want is what they've seen on the screen, and they all produce lists littered with the strange new jargon of the toy cupboard.

If you don't have children of your own but have some on your Christmas list you may be interested in the present list of one eight-and-a-half-year-old boy.

"Please may I have more dollars than cents (as I'm going to Florida for Christmas). Also, more bits for my train set and Scalextric and Computer. Then I'd like Brave Star (described by another eight-year-old as a sort of space cowboy), pool balls for my snooker table, and Adidas and Puma trackclothes for my holiday."

"I'd like the new 5 Star album, Michael Jackson's new album and tickets to see Michael Jack-

CZECH & SPEAKE
OF JERMYN STREET

No. 88 for 88

THE N° 88 RANGE FOR MEN
Now at HARRODS Mens Fragrance Hall

Czech & Speake: 39c Jermy Street, London SW1 and, 10 Tunsgate, Guildford, Surrey

POSTAL SHOPPING SERVICE/BROCHURE FAX: 01-561 7225 TEL: 01-260 4307

DAVID HICKS
SHOP

CHRISTMAS OPENING
Weekdays 9.30-5.00
Saturdays (until December 19th) from 10.00-3.00

Come and see us at
101 Jermy Street
London SW1
for your Christmas gift ideas.

SAVILLE-EDDELS
OBSESSIVE EXTRAORDINAIRES

presentations with imagination
prices to suit all budgets
special terms for company gift purchases

NEW CITY BRANCH
100, SOUTH GERRARD STREET, LONDON EC1A 3DF
01-252 1234

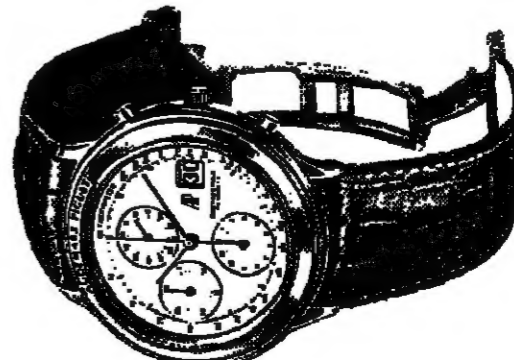
SAVILE-EDDELS
10, WALTON STREET, LONDON W1
01-734 1234

EXTRAORDINARILY DIFFERENT

Clubs

SVS has selected the others because of a policy on fast play and value for money. Snooker from 10.30 am. Clubs and top mini-golf. Electronic business, exciting floor shows. 100, Regent St., W1. 01-734 1234.

THE AUTOMATIC CHRONOGRAPH.



Audemars Piguet
La plus prestigieuse des signatures.

AVAILABLE AT:
ASPREY, GARRARD, LONDON HILTON,
MATTIN & WEBB, DAVID MORRIS, TYME,
THE WATCH GALLERY AND WATCHES OF SWITZERLAND.

